

SENATE BILL 1107

By Yarbro

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 6, relative to the sales tax on food.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new section:

(a) Food and food ingredients taxed at the rate of four percent (4%) of the sales price under § 67-6-228(a) are exempt from the state portion of the sales tax if sold between 12:01 a.m. on May 1, 2021, and 11:59 p.m. on October 31, 2021.

(b) Each retailer making exempt sales under this section shall report the amount of such sales to the commissioner on the retailer's sales and use tax returns.

(c) The time zone of the seller's location determines the authorized time period, when the purchaser is located in one (1) time zone and a seller is located in another.

SECTION 2. Beginning June 1, 2021, the Commissioner of Revenue shall reimburse counties and municipalities for loss of revenue resulting from the tax exemption provided for in this act. Subject to appropriations and notwithstanding Tennessee Code Annotated, § 9-4-211, a sum shall be earmarked and allocated from the reserve for revenue fluctuations for this purpose.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.